



August 26, 2009

NFC Customer Executives
NFC Customer Liaison

In August 2008, the National Finance Center (NFC) announced the establishment of a governance model and Customer Board (Board) acceptable to customer agencies and the Department of Agriculture's (USDA) senior management responsible for NFC's performance. The Board represents the Payroll/Personnel customer community in periodically assessing and providing input to NFC's performance and strategic direction. We believe that the Board provides a forum for better information exchange, stronger strategic direction, and a more meaningful customer-provider experience.

At that time, we established a charter which provided for a total of 10 customer agency Board members. During a Board meeting held on July 15, 2009, the charter was revised to reflect 10 Board members comprised of the Seven Largest Payroll/Personnel Customers (Enclosure 1), one Board member represented by the highest ranking customer member of the Small Agency Human Resources Council Customers (Enclosure 2), and two Board members from a pool of Payroll/Personnel Customers (Enclosure 3) who are interested executives from the agencies not from the Seven Largest Payroll/Personnel Customers or an agency represented by the Small Agency Human Resources Council Customers.

We have adopted the enclosed Charter for Customer Board (Enclosure 4) and are pleased to announce we have seated the entire Board.

We have identified the executives and obtained their agreement to serve in anticipation of our next Board meeting to be held in September 2009.

In addition, one of the strategic decisions made by the Board was the establishment of a Project Review Team (PRT). This cross agency group develops standard categorization criteria for submitting software change requests to NFC. The PRT reviews priorities and reconciles to the proposed schedule release from NFC. The PRT provides greater interaction and improved customer visibility and input to system modifications. The PRT escalates unresolved issues to appropriate Board member. The PRT membership parallels the Customer Board and is chaired by NFC.

Please feel free to direct any questions or comments you may have regarding this memorandum to Dawn Hughes-Morris, Chief, Client Management Branch, at Dawn.Hughes-Morris@usda.gov, 504-426-1151 or Customer.Support@usda.gov.

Sincerely,

A handwritten signature in black ink, reading "Cyrus G. Lohfink". The signature is fluid and cursive, with the first name "Cyrus" and last name "Lohfink" being more prominent than the middle initial "G.".

CYRUS G. LOHFINK
Director

Enclosures

NATIONAL FINANCE CENTER
SEVEN LARGEST PAYROLL/PERSONNEL CUSTOMERS

Department Name	Average Number of Employees Paid
Department of Homeland Security	187,233
Department of the Treasury	121,451
Department of Justice	118,860
Department of Agriculture	111,594
Department of Commerce	47,477
Department of Labor	15,721
Department of Housing and Urban Development	9,655

NATIONAL FINANCE CENTER
SMALL AGENCY HUMAN RESOURCES COUNCIL CUSTOMERS

Department Name	Average Number of Employees Paid
Smithsonian Institution	5,887
Small Business Administration	5,375
Library of Congress	3,985
Government Accountability Office	3,510
U.S. Agency for International Development	2,745
The Architect of the Capitol	2,612
Government Printing Office	2,348
Federal Communications Commission	1,853
Federal Energy Regulatory Commission	1,476
National Gallery of Art	1,036
Court Services and Offender Supervision Agency	879
Peace Corps	832
Corporation for National and Community Service	584
Commodity Futures Trading Commission	567
Federal Housing Finance Agency	438
Pretrial Services Agency	378
Federal Election Commission	372
Congressional Budget Office	285
Farm Credit Administration	278
Armed Forces Retirement Home	263
Federal Mediation and Conciliation Service	248
U.S. Merit Systems Protection Board	213
National Endowment for the Arts	176
National Endowment for the Humanities	175
Federal Maritime Commission	126
U.S. Office of Special Counsel	114
Defense Nuclear Facilities Safety Board	106
Office of Government Ethics	74
Appalachian Regional Commission	53
Occupational Safety and Health Review Commission	53
U.S. Commission on Civil Rights	53
National Capital Planning Commission	46
Federal Mine Safety and Health Review Commission	45
Farm Credit System Insurance Corporation	11

NATIONAL FINANCE CENTER
PAYROLL/PERSONNEL CUSTOMERS

Department Name	Average Number of Employees Paid
Federal Deposit Insurance Corporation	6,212 *
Department of Veterans Affairs	536 *
International Boundary and Water Commission	288
U. S. Office of Special Counsel	114
U.S. Court of Appeals for Veterans Claims	107
Millennium Challenge Corporation	77
U.S. Architectural and Transportation Barriers Compliance Board	40
Office of Compliance	24

*Agency elected by the Board on July 15, 2009.

**CHARTER FOR CUSTOMER BOARD
DEPARTMENT OF AGRICULTURE
NATIONAL FINANCE CENTER
PAYROLL/PERSONNEL SYSTEMS AND SERVICES**

Introduction and Background

The National Finance Center (NFC), a component organization of the United States Department of Agriculture's (USDA) Office of the Chief Financial Officer (OCFO), provides Payroll/Personnel Systems and Services (PPSS) to Federal organizations. These customer organizations span all three branches of the Federal Government. To aid USDA in their strategic management of NFC's PPSS, USDA is establishing a Customer Board (Board) to provide strategic direction, customer insight, and assist in setting the future direction for the PPSS.

Payroll/Personnel Systems and Services Advisory Board

The Board, comprised of key representatives from the customer community and key USDA leadership, will:

- Review annually the Charter for the Customer Board;
- Provide high-level, strategic advice and insight into the direction for PPSS;
- Assure stakeholder involvement in program direction;
- Define relative priorities of key program initiatives;
- Assess value of services provided;
- Address unresolved cross-customer issues;
- Foster collaboration between the customer agency Chief Human Capital Officers, Chief Information Officers, and Chief Financial Officers;
- Serve a critical role in facilitating standardization of customer agency payroll processes to achieve related economies of effectiveness and efficiencies;
- Provide input on NFC's PPSS business/cost strategy to promote service and determine funding of strategic initiatives having NFC community-wide impact;
- Influence the development and direction of strategic initiatives for PPSS; and
- Provide direction to user groups.

The Board members will provide input to NFC's PPSS strategic plan. The strategic plan is a working document that is updated periodically to adjust for progress, changes in the environment, and to take advantage of critical opportunities.

The Board will receive updates and provide updates on NFC's progress in delivering on the strategic plan.

The Board will be comprised of the senior executive responsible for the PPSS services from the seven largest Payroll/Personnel customers, the chair or designee from the Small Agency Human Resources Council (SAHRC) who is an NFC customer, two elected executive representatives selected from the remaining customer base, and USDA's Deputy Chief Financial Officer. The two elected members will each serve a 2-year term.

USDA's Deputy Chief Financial Officer will chair the Board. Board members will be required to sign a Certification Regarding Non Disclosure of Acquisition Information, Conflicts of Interests, and Procurement Integrity form each year. NFC's Director shall serve as the Vice-Chair. NFC's Government Employees Services Division (GESD) Director shall serve as Secretary of the Board.

The Board will meet at least four times per year. Participation in Board meetings will be by the principals only or their designated alternate only. The preference is for face-to-face meetings. Agenda items from members will be solicited in advance. The agenda for each meeting will be published in advance of the meeting. The Secretary will provide meeting minutes to Board members.

Roles and Responsibilities

(a) USDA Chief Financial Officer:

- (1) Will be Senior Official with oversight and management responsibility for NFC and
- (2) Will receive advice and input from the NFC PPSS Board and factor this into strategic decision-making related to NFC.

(b) USDA Deputy Chief Financial Officer:

- (1) Serves as Chairman of the Board;
- (2) Has overall management authority over the services provided by NFC;
- (3) Resolves any disputes not reconciled with Board members, such as priorities, funding, service level definitions, etc.;
- (4) Approves any new or expanded centralized services; and
- (5) Ensures appropriate funding of strategic initiatives.

(c) The Director of NFC:

- (1) Serves as Vice-Chairman and
- (2) Has overall management authority over the aspects of NFC service delivery and activity operations, including those of the PPSS.

(d) The Director of NFC's GESD:

- (1) Serves as Board Secretary;
- (2) Serves as Executive in charge of daily PPSS operations and Chairman of NFC's PPSS Configuration Control Board (CCB); and
- (3) Ensures proper coordination with the PPSS CCB, User Groups/the Committee for the Agriculture Payroll/Personnel System (CAPPS), and the Board, as appropriate.

(e) Customer Agency Board Members:

- (1) Represent the interests of their respective Department/Agency or Council membership;
- (2) Have the authority to speak for their respective Department/Agency or Council membership;
- (3) Have the authority to commit resources, make decisions, and enforce decisions on behalf of their Department/Agency;
- (4) Will facilitate information dissemination resulting from Board meetings to their respective organizations; and
- (5) Provide strategic advice and guidance on PPSS related matters.

Determination of Board Membership

Constant Board Members - Board members representing the seven largest Payroll/Personnel customers (the seven largest Payroll/Personnel customers will be defined as the customers with the highest number of employees at the beginning of each year) and an identified representative member from SAHRC (a customer agency of NFC's PPSS) will serve annually. NFC will provide the list of the seven largest Payroll/Personnel customer organizations within the NFC PPSS and request that their appropriate Senior Executive represent them on the Board. The executives of each of these seven agencies and the identified member of SAHRC will automatically assume membership on the Board and serve as **constant** Board members. This list will be reevaluated at the beginning of each term to determine if there has been any substantial shift in the number of employees for these customers or a change in an SAHRC representative. If so, the constant Board members will be reelected as appropriate.

Elected Board Members - Two Board members elected by the Senior Executives from the Departments/Agencies serviced by the NFC's PPSS, who are not from the seven largest Payroll/Personnel customers or are a representative from SAHRC, will serve 2-year terms. A pool of interested executives from these organizations will be voted on by this community to serve 2-year terms. Voting may be required annually to maintain full Board membership.

The following steps will be taken to elect the additional Board members:

- NFC will compile a list of executives from the remaining PPSS Community, excluding the Seven Largest Payroll/Personnel Customers and the representative of SAHRC. This list will represent the pool of potential elected Board members.
- The Board Vice-Chair (Director of NFC) will review the pool and recommend two willing executives for consideration of *elected* positions.
- The Board Secretary (Director of GESD) will forward an NFC-supplied panel confirmation card (Card) to the remaining PPSS Community members. These member agency representatives will confirm the panel or write-in other executives and return the Card to the Board Secretary.
- Voting members will have 2 weeks from the date e-mailed to return their Cards. In the event of a tie vote, the Board Vice-Chair will make a recommendation to the Board Chair for final decision.
- The four executives receiving the most votes, determined by the Vice-Chair based on the received Cards, will be notified of their appointment for a 2-year term.
- In the event a current elected board member resigns, the Vice-Chair will select an executive willing to perform the stated responsibilities for the remainder of the term and bring this name to the Board Chair for consideration.

Configuration Control Board

NFC's PPSS CCB is responsible for managing changes to the system based on Government-wide requirements, requests from users, the need for system upgrades, obtaining effectiveness and efficiency improvements, and meeting the near- and long-term requirements of PPSS. The change management process facilitates communication regarding requested changes among the stakeholders, provides a common process for resolving requested changes and reported problems, and reduces the uncertainty of outcomes of system changes.

CCB is chaired by NFC's GESD Director, the executive managing the daily operations of PPSS and addressing the PPSS system priorities. CCB will meet biweekly to review and prioritize system change requests that have completed NFC's assessment process and to review and approve the scheduled implementation dates established by NFC's manager.

There are three tiers associated with NFC's PPSS change priorities are:

- (1) Production and security;
- (2) Legal, regulatory, court ordered, Office of Personnel Management policy, etc.; or
- (3) Process improvements and new functionality requests.

Requests for changes can be initiated by NFC staff, the Board, a user group, or individual agencies using the system if the change affects only that agency's use of the system. The requested change is routed to the NFC GESDREQUEST e-mailbox for review and assessment. This assessment will include functional requirements, scope of modification needed to the system, cost, and scheduled date for implementation. The results of the assessment will be presented to CCB for review and approval. CCB will ensure that the scheduled changes do not impact other previously scheduled changes, and if they do, will work with NFC's manager to determine the new scheduled implementation date. The Project Review Team (PRT) will review the priorities and reconcile to the proposed schedule release from NFC and the schedule of changes will also be provided to the Board. PRT will escalate unresolved issue to the appropriate Board member. Strategic feedback on requested changes that likely have an impact across NFC's community (as determined by NFC's GESD Director) would be solicited from the Board. This input will be incorporated, as appropriate, and the final determination of the CCB will be conveyed to the Board, user groups, and requesting agencies.

A detailed change management plan has been developed and documented as part of NFC's procedures manuals.

The Committee for the Agriculture Payroll/Personnel System

CAPPS, having representatives from each Department or independent agency, was established by NFC to represent managers and users of the PPSS. With the development of the Board, the responsibilities of CAPPS will be to provide an interface between the user community and NFC for implementing, operating, maintaining, and improving the PPSS.

CAPPS has a charter developed separately from this document.

Individual, system-specific user groups will be established to identify customer needs and, as needed, to suggest priorities for NFC system changes within the specific categories.

User groups will provide updates to the Board and CAPPS on a regular basis or as requested.